



TRISTAN
CAPITAL PARTNERS

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Responsible Investment Policy Framework

August 2023

Version 1

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1. DOCUMENT INFORMATION

Scope of Policy

Tristan Capital Partners (hereinafter also referred to as “Tristan”, “The Company” or “The Firm”) is a leading pan-European real estate investment firm with over €16 billion in assets under management. Tristan’s investment approach encompasses both equity and debt strategies. Currently, Tristan’s active funds to which this Responsible Investment Policy applies to, are as follows:

- European Property Investors Special Opportunities 3 LP (“EPISO 3”),
- European Property Investors Special Opportunities 4 LP (“EPISO 4”),
- European Property Investors Special Opportunities 5 SCSP (“EPISO 5”),
- European Property Investors Special Opportunities 6 SCSP (“EPISO 6”),
- Curzon Capital Partners III LP (“CCP 3”),
- Curzon Capital Partners IV LP (“CCP 4”),
- Curzon Capital Partners 5 Long-Life (“CCP 5”),
- Tristan Income Plus Strategy One SCSP (“TIPS 1”).

This Responsible Investment Policy (hereinafter also referred to as “The Policy”) applies to Tristan and all legal entities in which Tristan directly or indirectly holds more than 50% ownership or majority voting rights. The Policy also applies in situations in which the Company is held or acting for the account of a special fund or other third parties (and hence applies to fund vehicles and real estate special purpose vehicles). Tristan is an affiliate of New York Life Investments.

Policy Owner

Jean-Philippe Blangy, Senior Partner, Head of Asset Management and Head of ESG

Entry into force

August 2023

Document history

Version	Date	Author	Purpose of issue / Changes	Approved by
1	2023	Jean-Philippe Blangy, Olivia Griffiths, Anze Sagadin	First implementation	Senior Advisory Board

2. DEFINITIONS

The section below outlines definitions, key terms, and acronyms used in the Policy and references to other codes and principles that the Policy is built on.

Environmental, Social and Governance (ESG): ESG addresses the environmental, socio-economic and governance risks and opportunities associated with the Firm's core activities in the acquisition, development, ownership, and management of property assets. The purpose of incorporating ESG is to adapt and prepare for the transition to a net zero carbon economy in a world facing severe climate change impacts. This ESG definition covers various factors such as energy efficiency, reducing water consumption and waste production, ensuring the prosperity of ecological fauna and flora, as well as fostering the wellbeing of occupiers.

Exclusions: in this Policy, refers to the removal of specific entities, sectors, or individuals from Tristan's investment universe following ESG analysis.

Greenhouse Gases (GHG): these include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride, which all have a global warming potential and are typically referred to in the context of CO₂ equivalent (CO₂e) emissions.

Principal Adverse Indicators (PAI): Negative, material, or potentially material effects on sustainability factors that result from, worsen, or are directly related to investment choices and/or advice given by a legal entity. The monitoring and reporting on PAIs will be in line with the requirements of SFDR. Examples include GHG emissions and exposure to energy-inefficient real estate assets.

Responsible Investment: integration of corporate ESG considerations into investment management processes and ownership practices in the belief that these factors can have an impact on financial performance.

Responsible Investment Policy: a company policy document prepared by Tristan to clarify its investment processes, exclusionary criteria, and the process for its implementation. The Policy is drafted in accordance with the Principles for Responsible Investment (PRI) guidelines for responsible investment.

Sustainable Finance Disclosure Regulation (SFDR): European regulation which requires sustainability disclosure by financial market participants. SFDR came into effect in 2021 with the ambition of playing an essential role in improving the transparency of sustainability disclosures and reducing greenwashing in the market.

United Nations Global Compact (UNGC) Principles: UN-sponsored principles for organizations mandating that, at a minimum, they meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption.

United Nations Principles for Responsible Investment (UN PRI): is an international network of financial institutions supported by the United Nations. Based on six aspirational principles, PRI's goal is to incorporate sustainability into investment decision-making and ownership practices, thereby aiming to develop a more sustainable global financial system.

United Nations Sustainable Development Goals (UN SDGs): the goals were commissioned by all United Nations Member States in 2015. The 17 goals aim to minimise economic deprivation and inequality, and to promote peace and prosperity with global partnership, alongside the goal of tackling climate change.

Documents referenced in this Policy

- Tristan Capital Partners ESG Policy
- Tristan Capital Partners Stewardship Policy
- Tristan Capital Partners Anti-bribery Policy
- Tristan Capital Partners Code of Conduct
- Tristan Capital Partners Sustainable Developments Charter
- EPISO 6 – ESG Policy
- CCP 5 – ESG Policy
- TIPS 1 – ESG Policy



3. INTRODUCTION

Background

Founded in 2009, Tristan is a European real estate investment firm specialising in equity and debt investment strategies across all property types in the UK and mainland Europe. The firm's track record includes more than 22-year investment history that spans 12 funds and encompasses value-added / opportunistic, core-plus, and private debt strategies.

Through a dedicated research group which is responsible for developing strategic and tactical investment ideas, Tristan has invested responsibly and maximized attractive risk-adjusted returns through multiple market cycles. Today, the Firm is regarded as one of the leaders in the European marketplace and has 170+ employees covering 20 markets and all major property types, with assets under management totalling €16 billion.

Tristan's investment strategy is focused on acquiring assets where capital values can be enhanced under our ownership. In this context, we seek to optimize returns by improving the overall sustainability performance of our assets whilst balancing these with our financial objectives.

Sustainability Mission Statement

Tristan recognizes the importance of tackling and adapting to climate change, and firmly believes that the integration of sustainability factors in its investment process can be both beneficial to the planet as well as driving additional value for the Firm's investors.

The Firm sees the integration of sustainability in its operations as an essential part of its success, and this is driven by a core sustainability mission outlined in our ESG Policy, namely "to protect value and identify opportunities to drive additional value for our investors by integrating ESG considerations into every stage of our investment process". This involves conducting adequate sustainability due diligence, transforming assets by improving overall building sustainability performance, and ensuring that they are adequately future-proofed to mitigate sustainability-linked matters.

Tristan works in close partnership with its operating partners, tenants, and local communities to meet their involving needs. Through the promotion of an inclusive and diverse workplace, philanthropic activities, environmental and other initiatives we are committed to fostering positive social outcomes and contributing to the well-being of the communities we serve. We also prioritise the health, safety and well-being of our employees, occupiers, and stakeholders, ensuring compliance with applicable laws and regulations.

Purpose

Our commitment to investing responsibly is engrained in our organizational culture and our investment process across both equity and debt strategies. Alongside this Responsible Investment Policy document, we have developed a unique Responsible Property Investment Strategy, which is outlined in our ESG Policy and underpinned by three key pillars:

1. **Transforming our assets:** improving overall asset sustainability performance on issues material to value creation for each specific investment.
2. **Future proofing our investments:** managing downside by ensuring that investment decisions are based on future-focused due diligence.
3. **Working in partnership:** upholding Tristan's core values of performance, teamwork, partnership, trust, and integrity. We believe in maintaining high standards of governance, ethics, and responsible property investment practices throughout our operations.

This Policy should be viewed in conjunction with Tristan's ESG Policies, including the three focus areas above. Tristan will only invest in companies, countries, and sectors that meet its requirements on specific ESG matters.

As a signatory, Tristan is committed to the Principles of Responsible Investment. We also align our approach to the UN Sustainable Development Goals and the UN Global Compact principles on human rights, particularly regarding the prevention of bribery, fraud, slavery, and corruption. For example, Tristan's Code of Conduct and Anti-bribery policy, we

state our strict anti-money laundering practices that we apply, and our adherence to EU General Data Protection Regulation (GDPR).

In addition to following the above principles, this Responsible Investment Policy provides a screening framework, which list negative criteria that define the Firm's exclusions as well as detail several other screening criteria that guide our investment process and are aligned with industry best practices.

4. RESPONSIBLE INVESTMENT GUIDELINES

The following Responsible Investment Guidelines set out the Firm's mandatory exclusionary requirements and other principles aligned with Tristan's Policies, including the Sustainable Developments Charter. These guidelines serve as a single Company-wide approach to making investments and setting the ESG standards that will be implemented by the Funds' Investment and Asset Management teams under the supervision of the Tristan's ESG Committee.

The Responsible Investment Guidelines aim to respect relevant local, national, and supranational regulations as well as any relevant voluntary regulatory frameworks adopted by Tristan. Where an investment decision guided by the screening framework set out in this document were to conflict with Tristan's fiduciary duty, the Firm exercises its right to waive its commitment to this Policy but commits to informing Tristan's ESG Committee.

Mandatory Exclusionary Criteria: Negative Screening Approach

Tristan is committed to investing in and managing assets responsibly and complies with all laws and regulations applicable to its business operations and investment activities in the jurisdictions where it operates. Mandatory exclusionary criteria make up the first part of the responsible investment process. Tristan will not knowingly engage in activities with parties that are directly involved in the activities listed below:

- Parties that contribute to, or are in material breach of, UN conventions and declarations on human rights (including murder, torture, deprivation of liberty, forced labour, child labour, or other forms of child exploitation).
- Parties associated with, or convicted of, material and/or systematic bribery or corruption.
- Parties involved in the manufacture, sale, or distribution of pornography products or the sex industry (including but not limited to electronic data programs or solutions which are aimed specifically at such activities).
- Parties consistently cited for violating environmental protection regulations.

Tristan will also not enter commercial dealings of any form with investment partners and occupiers who are currently under sanction by the United Nations or European Union or any other applicable sanctions list. Should circumstances change, and these institutions impose sanctions on an entity to which Tristan has material investment exposure or a country it has a physical presence in, the Firm will re-evaluate its positioning at ESG Committee level.

Regarding exposures to companies that are operating in sectors considered to be socially insensitive or with material reputation risk, Tristan will carry out in-depth assessments on all new acquisitions and is committed to excluding assets where the majority of tenants are involved in the following activities:

- Production of armaments.
- Production of tobacco.
- Production of hard spirits.
- The production of pornography or adult entertainments.
- High impact fossil fuels e.g., petrol stations other than where it forms a small part of a larger non-petrol station asset.

In addition, as part of Tristan's Responsible Investment Policy alignment with SFDR, all investment decisions on behalf of Tristan's Article 8 funds, CCP 5, EPISO 6 and TIPS 1, consider PAIs on sustainability factors as relevant to a Fund's investment strategy and real estate sector. Tristan's SFDR Article 8-aligned funds will limit exposure to the following mandatory real-estate specific PAIs:

- PAI 17: Exposure to fossil fuels through real estate assets (e.g., assets involved in the extraction, storage, transport, or manufacture of fossil fuels).
- PAI 18: Exposure to energy-inefficient real estate assets (e.g., assets with an EPC rating of C or below, which could not easily be amended through an energy efficiency improvement plan).

The relevant SFDR Article 8-aligned funds will also look to monitor and decrease exposure to other real-estate specific voluntary PAIs, provided they are relevant adverse impacts caused by Tristan investments. These include following:

- PAI 18: GHG emissions (e.g., assets with high levels of greenhouse gas emissions per square meter).
- PAI 19: Energy consumption intensity (e.g., assets with high levels of energy consumption per square meter).
- PAI 20: Waste production in operations (e.g., share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract)

Other building characteristics considered, but not explicitly referred to in SFDR disclosures, which may contribute to negative sustainability impacts, can be seen in the second pillar of Tristan's companywide Responsible investment Strategy, titled "Transforming our assets".

Other Screening Principles

As a leading investment and asset manager in the European real estate industry, Tristan has a responsibility and the capabilities to maximize our core financial objectives whilst making a positive and measurable impact on the environment and the local communities we operate in.

As part of the investment research and general due diligence process prior to acquisitions, Investment teams are actively encouraged to consider investment opportunities where prospective development assets can contribute to at least one of the eight principles set out in Tristan's Sustainable Developments Charter. The Investment team also keeps abreast of new emerging ESG trends and considers how they are material for the Company, adapting the investment approach as appropriate to capitalize on ESG opportunities and minimize potential ESG risks.

Full details of these investment approaches can be found in the respective funds' ESG policies referenced at the beginning of this document.

Tristan believes the performance of its assets across funds is material to value creation. Hence, the Firm prioritizes a longer-term approach to managing and minimizing identified ESG risks and considers an individual asset's potential positive contribution in the transition to a more sustainable environment. With this approach, the Company looks to build diverse and resilient portfolios which deliver positive investment outcomes for our clients and the end beneficiaries they represent.

Tristan aims to make investments in assets which have the potential contribute to sustainability outcomes, which include, but are not limited to, the environmental and social aspects below:

- Strong health and wellbeing measures which promote quality of life
- Improved energy efficiency
- Reduced carbon emissions
- Local and sustainable procurement
- Low carbon and/or active transport opportunities
- Biodiversity enhancement and connection with nature
- Reduced waste production and diversion to landfill or incineration
- Improved water use efficiency
- Improved and lasting community engagement

In identifying the negative and positive sustainability aspects listed above, Tristan makes use of external consultants to conduct ESG due diligence reports at the pre-transaction stage, which helps to identify material ESG matters and opportunities for respective fund. Any material findings are included in the Investment Memorandum and business plan, which is presented to

the Investment Committee prior to any investment being made. The incorporation of targeted ESG improvements into asset business plans prior to the asset management phase ensures that the capital and operating expenditures modelled for prospective assets will aim to add value from an economic perspective, while having a positive impact on the environment and society in the process.

Additionally, Tristan's SFDR Article 8 aligned funds promote environmental and/or social characteristics in line with their Pre-Contractual Disclosure obligations. More information on characteristics that relevant funds promote can be found in respective ESG policies. Specific binding elements will be disclosed periodically by relevant funds with a view to achieve positive sustainability outcomes on a multi-year time horizon.

5. IMPLEMENTATION PROCEDURE

At Tristan, we embed the robust management and integration of our material ESG issues within our business activities and investment decision-making. Such integration allows investment teams to gain a more comprehensive understanding of both the risks and the opportunities arising from the ESG matters we have identified.

Through the exclusionary negative and other screening criteria set in the Responsible Investment Guidelines and the integration of Tristan's strategic ESG framework into investment decision-making, the Company has created a unified approach to responsible investing, which commits the Firm to the principles outlined in this document at both the overall group and fund level.

Implementation of the exclusionary negative and other screening principles is assigned to the individual Investment and Asset Management teams, with the ESG Committee required to act in an oversight and reporting role. Relevant stakeholders and their respective responsibilities in Policy implementation are outlined below.

Roles and Responsibilities

Investment and Asset Management Team:

- Investment team carries out ESG due diligence in line with the Responsible Investment Guidelines to identify material sustainability related risks and opportunities prior to acquisition, ensuring that they are manageable through adequate measures.
- Asset Management team implements identified ESG measures and conducts periodic screening of real estate assets for any additional material ESG risks and opportunities.
- It is the responsibility of the Investment and Asset Management teams to be aware of the contents of this Policy and apply it in a professionally sound manner.

ESG Committee:

- Responsible for reviewing annually and updating the provisions of this Policy (in particular, the exclusionary list).
- Report outcomes of the Responsible Investment Policy implementation as part of its annual sustainability reporting.

Investment Committee:

- Make active investment decisions based on the Responsible Investment Guidelines.
- It is the responsibility of the Investment Committee to be aware of the contents of this Policy and apply it in a professionally sound manner.
- If any aspect of the Policy is unclear in application, the Investment Committee is authorized to decide with due regard to commercial impacts of the Policy on Tristan.

Operating Partners and Property Managers:

- Responsible for providing asset level information to the Asset Management team, informing their responsible investment decision-making.

ESG Committee

Tristan's ESG Committee (the "Committee") is responsible for monitoring sustainability performance, setting annual objectives and overseeing the effective implementation of ESG milestones. The Committee meets monthly to ensure consistent progress. The Committee, which includes representatives from various parts of the business and is led by the Head of ESG and works closely with external ESG advisors.

The ESG Committee is also responsible for the implementation of the Responsible Investment guidelines within each fund. In this context, the Committee works in close collaboration with Investment team in conducting pre-transaction ESG due diligence, where material findings are then reviewed by the Investment Committee prior to approving acquisitions. The findings of the ESG screening are then incorporated into asset-level business plans to ensure the required capex budget is provisioned to implement ESG initiatives and achieve investment and fund-level objectives. The Committee has oversight across the entire Tristan portfolio and ensures ESG metrics are being appropriately tracked and benchmarked.

Additionally, the ESG Committee reviews the Policy annually and publishes the latest version of the Policy on Tristan's website, ensures that any changes to its Responsible Investment Methodology and progress made in its implementation are reported on in its Annual Sustainability Report.

ESG Committee Members:

- **Jean-Philippe Blangy** – Senior Partner, Head of ESG and Head of Asset Management
- **Ben Newman** – Senior Partner, CCP 5 LL Portfolio Manager
- **Olivia Griffiths** – Chief Operating Officer and Chief People Officer
- **Anita Jerkovic** – Managing Director, Deputy Portfolio Manager
- **Nik Haigh** – Managing Director, Client Relations
- **Kick van del Wel** – Managing Director, Investments
- **Anze Sagadin** – Director, Portfolio Management
- **Victoria Yakubenko** – Director, Asset Management
- **Victoire Federlin** – Senior Analyst
- **Olivia O'Brien** – Associate Director, Longevity Partners

6. ENGAGEMENT & ACTIVE OWNERSHIP PROCEDURES

Tristan is a European real estate investment management boutique with more than 22-year investment history using a differentiated research-led, thematic, risk focused approach to investing. The Firm is focused on the active ownership of real estate assets. This section of the Policy outlines the Firm's active engagement with its portfolio and aligned with the standalone Stewardship Policy published in 2023. Tristan's stewardship statement and approach to active engagement in accordance with the 12 principles, provide guidance to active ownership and inform the section below.

As part of Tristan's "Working in partnership" strategic pillar, our core values of performance, teamwork, partnership, trust, and integrity support our philosophy of embedding high standards of ESG practices throughout our operations. The Firm has committed to engaging with our stakeholders – operating partners, occupiers, employees, and the communities we operate in – on ESG matters, using their insights to help us improve performance and meet their evolving needs.

Tristan's stakeholder engagement program is led by the ESG Committee and Equality, Opportunity, and Philanthropy (EOP) Committee, where relevant. With assistance from Asset Managers, these bodies are responsible for reviewing stakeholder engagement progress and reporting on asset and fund level progress in meeting annual goals.

Tristan's Engagement Objectives

- Working with tenants on health and wellbeing initiatives
- Regularly communicating our ESG progress with investors
- Engaging with our partner and service providers on ESG topics
- Providing biannual ESG training to our employees

- Providing an inclusive and healthy workplace for our employees
- Considering the specific needs of the communities in which we live and work and giving back through charitable efforts.

Tenant Guidelines

- Promoting Sustainable Developments Charter
- Encouraging adoption of green leases

Tristan's Corporate Social Responsibility and Stakeholder Engagement Strategy

Community and General Public

- Support charities that provide opportunities for young people from underrepresented socio-economic backgrounds to realise their ambitions, such as the Black Heart Foundation and Sponsors for Educational Opportunities (SEO London) 'Real Estate Programme'

Client Communication

- Produce quarterly updates on ESG initiatives
- Prepare and publish Tristan's Annual Sustainability Report

Tenant Communication

- Tenant satisfaction assessments
- Periodic engagement with tenants to understand tenants' evolving requirements and develop health and wellbeing strategies where appropriate

Property Managers and Operating Partners

- Work with partners to collect and report relevant ESG data for properties under management (e.g. energy, water and waste data)
- Collaborate with partners on ESG matters, including addressing of key issues and reporting progress on a quarterly basis

Employees and Staff

- Carry out biannual ESG training for employees
- Implementation of employee wellbeing and mental health programs, including Mental Health First Aiders and access to MYNDUP services

7. REPORTING

As a signatory to the UNPRI, Tristan is committed to publishing an annual report on its sustainability performance, as well as reporting periodically on ESG performance as part of its SFDR disclosures. As previously noted, the ESG Committee will conduct an annual analysis of the implementation and outcomes of the Responsible Investment Policy and include material findings in its Annual Sustainability Report. This analysis will take the form of an internal evaluation for each Fund according to the Guidelines set out previously in the Policy.

ESG reporting will be aligned with the PRI Reporting Framework as is mandatory for signatories. It may also be aligned to any of the following sustainability reporting frameworks:

- **Global Reporting Initiative (GRI)** - a global standard for sustainability reporting.
- **Task Force on Climate-related Financial Disclosures (TCFD)** - a framework for translating non-financial information about climate change into financial metrics.
- **Global Real Estate Sustainability Benchmark (GRESB)** - internationally recognized reporting framework to assess and benchmark the ESG performance of real assets.
- **SFDR Sustainability Risk Policy, Pre-Contractual and Periodic Disclosures** – to provide transparency to investors in relation to sustainability risks, the consideration of adverse sustainability impacts in their investment processes and the provision of sustainability-related information with respect to financial products.

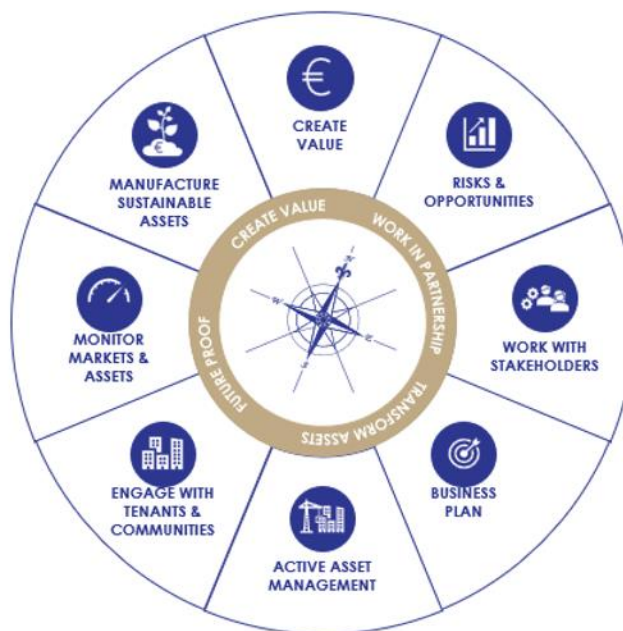
8. REVIEW

The ESG Committee will review the Responsible Investment Policy on an annual basis. This will ensure that the policy stays up to date over time, continues to be helpful and relevant to the Company. The review will focus on the points outlined in the Responsible Investment Guidelines, updating them in line with methodology changes in the wider market and their application across Tristan’s portfolios in the previous year. Reviewing of the Policy aims to ensure that the firm maintains industry best practice in ESG and responsible investing. The review also intends to assess the effectiveness of the Policy with a view to improve Tristan’s business operations, for example by considering the addition of new processes, and help us better align our actions with the principles of responsible investment.

9. TARGETS

In 2023, Tristan published its revised ESG Policy which includes the Firm’s vision and strategic pillars. In future, the Firm will consider setting quantifiable ESG objectives.

Our Strategic Pillars



Fund level ESG issues of most significance to our investment activities and factors we focus on prior to making investment decisions

- Energy efficiency and renewable energy generation
- Carbon emissions
- Climate change risks, both physical and economic
- Sustainable building standards / certifications
- Transport connectivity and accessibility
- Tenant attraction, retention, and engagement

The sustainability issues of most significance to our asset management and development activities

- Tenant attraction, retention, and engagement
- Energy efficiency and renewable energy generation
- Carbon emissions
- Sustainable building standards/certifications
- Waste
- Water
- Sustainable procurement
- Transport connectivity and accessibility
- Health and wellbeing
- Climate change risks, both physical and economic

